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MANUFACTURERS HANOVER

Financial Digest

Volume XXVII, Number 8 Monday, April 9, 1990

Analysis of Business Trends Plus Selected Financial Indicators

The Dollar Remains Strong

The combination of slowing economic growth and declining interest rates in the United States, along with robust growth and rising rates abroad, was supposed to result in a considerable weakening of the dollar against the other major currencies this year. Instead, the U.S. currency has held its own against the West German mark and the British pound, while appreciating substantially against the Japanese yen (chart).

Some of the dollar's recent strength can be attributed to stronger economic performance and more inflation in the United States than previously anticipated. This, in turn, has prompted market participants to revise their expectations that the Federal Reserve would continue to lower U.S. interest rates. At the same time, political unrest in the Soviet Union has increased the "safe haven" allure of the U.S. currency. For the most part, however, the dollar's newfound attraction is due to the marked change in the economic and political environments in Germany, the United Kingdom and Japan, which has left the U.S. currency as one of the few investment alternatives.

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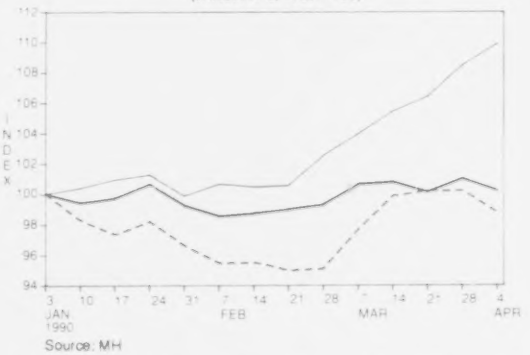
Although prospects for strong economic growth and higher interest rates in West Germany triggered a surge in the Deutschemark at the end of last year, its assent has since been stemmed by market fears that monetary union between East and West Germany and additional government spending to rescue the East German economy will produce a higher rate of inflation in West Germany. As a result, political and economic uncertainties in West Germany have caused the dollar to trade within a fairly narrow trading range of 1.67 to 1.72 West German marks so far this year.

The Pound Weakens

Because interest rates in the United Kingdom are among the highest in the industrial world, the pound appreciated considerably against most major currencies earlier this year. However, a resurfacing of economic and political problems triggered a sharp selloff of the pound in late March, transforming it by mid-April into one of the weakest currencies in the industrial world. After reaching highs of over $1.71 and 2.86 Deutschemarks in February, sterling plummeted by more than ten U.S. cents to $1.60 and to a record low of 2.7150 marks in less than a month. Discouraging trade data, expectations that the inflation rate will exceed nine percent by the summer, market disappointment with the 1990/91 budget and uncertainty about interest rate policy have all undermined investor confidence in the British government's economic management.

W. GERMAN MARKS (THICK), JAPANESE YEN (THIN) AND U.K. POUNDS (DASH) PER U.S. DOLLAR (JANUARY 3, 1990 = 100)



Source: MH

The sharp deterioration in the political environment has also added to the pound's woes in recent weeks. Another hike in mortgage rates, widespread opposition to a new local tax, the growing unpopularity of Prime Minister Thatcher within her own party and the 20-point lead by the opposition Labor Party in the latest public opinion polls appear to have shaken investor confidence in the Tory Party's ability to govern. While the absence of any recent U.K. economic data has resulted in a modest recovery of the pound in light of its high interest rate status, expectations of a sharply higher inflation rate and worries about the domestic political situation may well cause the currency to resume its downward trend before too long.

The Yen Plunges

Market sentiment is even more bearish toward the Japanese yen. Plagued by relatively low interest rates, hefty capital outflows, a diving stock market, a sharply narrowing current account surplus, increasing trade friction with the United States and market perceptions that the present government lacks the strength to deal with these problems, the yen has fallen to a

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3-1/2 year low of around 160 to the dollar and 94 to the mark, its lowest level against the latter in almost seven years.

Even last month's full percentage point hike in the discount rate to 5.25 percent was not able to break the yen's fall. Most traders believe that the increase was too little and came too late. Although Japanese interest rates are now at their highest levels since 1983, they are still almost a full percentage point below U.S. and German rates.

In addition to Japan's relatively low interest rates, another reason for the yen's weakness is that Japanese companies and investors are sending huge amounts of capital out of the country. In order to get around trade barriers, such as import quotas, many Japanese companies have been setting up production facilities overseas. Financial institutions looking to expand their opportunities and real estate investors seeking higher returns abroad because of Japan's lofty land prices have also sent billions of dollars abroad. As a result, Japanese direct foreign investment ballooned to almost $50 billion last year from barely $12 billion in 1986. At the same time, Japan's relatively low interest rates, high share prices and jittery stock market are prompting some major Japanese investors

Short Term Paper Outstanding

(Millions of Dollars)

Time Deposits $100,000 or more Weekly Reporting Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (3/21/90)	216,794	+ 442	+ 1,569
New York City (3/28/90)	40,448	- 188	2,069
Commercial Paper (3/28/90)	541,708	- 241	+ 528

Bank Loans

(Millions of Dollars)

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Commercial and Industrial Loan			
Nationwide (3/21/90)	323,943	+ 1,420	+ 11,954
New York City (3/28/90)	57,560	- 830	+ 63
Total Loans and Leases Gross Adju			
Nationwide (3/21/90)	1,008,557	+ 4,235	+ 62,406
New York City (3/28/90)	181,097	+ 92	- 1,362

Financial Markets

	Friday 4/6/90	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	8.02%	- .03	- 1.10
180-Day Bills†	8.14	- .09	- 1.13
Longest Bills†	8.26	- .06	- 1.25
Recent Issues:			
8½s 3/30/92	8.50	- .12	
8½s 3/30/94	8.56	- .10	
8½s 2/28/00	8.55	- .07	
8½s 2/15/20	8.52	- .09	
Municipals:			
Bond Buyer—20 Bond Index* (4/5/90)	7.33%	-0-	- .23
Blue List Total ($ Million)	$1,570	+ $ 67	+$ 604
30-Day Visible Supply ($ Million)	$2,958	+ $ 540	+$1,077
Total	$4,528	+ $ 607	+$1,681
Corporates:			
Moody's Aa Composite (4/5/90)	9.56	- .01	- .44
30-Day Visible Supply ($ Million)	$359	- $ 930	-$ 2,756
Stocks:			
Dow-Jones Averages:			
Industrials	2,717.12	+ 9.91	+412.32
Transportation	1,174.08	- 9.06	+103.41
Utilities	213.66	- 1.00	+ 26.96
65 Stocks	1,011.04	- 1.06	+131.04
N.Y.S.E. Composite Index	186.78	- .06	+ 20.76
N.Y.S.E. Avg. Daily Vol. for Week (000's)	144,370	+ 12,060	- 14,554

*34% Taxable equivalent 11.11%.

† Bond equivalent.

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 4/6/90	Week Ago
Overnight	8.25%	8.25%
1 month	8.31	8.31
3 month	8.38	8.38
6 month	8.50	8.63
1 year	8.69	8.88

FOREIGN EXCHANGE SPOT RATES

New York Opening (4/6/90)	Currency Per U.S. $	Week Ago
Belgium	35.09	35.07
Canada	1.1647	1.1710
France	5.7055	5.7095
Germany	1.6973	1.6960
Italy	1246.20	1250.80
Japan	157.65	158.05
Mexico	2745.00	2739.00
Netherlands	1.9110	1.9100
South Korea	698.12	696.00
Switzerland	1.4980	1.4958
Taiwan	26.20	26.41
U.K.*	1.6378	1.6445

*U.S. $ per U.K. pound

MH TRADE-WEIGHTED DOLLAR (4/6/90) (Adjusted for Inflation)	Change Since Week Ago	Change Since 2/27/8
	+0.7%	-6.9%

to look for better returns, and less risk, outside Japan.

What's more, Japan's trade and current account surpluses, once the largest in the world, are shrinking rapidly. The current account surplus declined to $57 billion last year from $80 billion in 1988, while the monthly balance slipped into deficit in January, the first monthly deficit in six years.

Compounding these difficulties, the turmoil in the stock market, the public dispute between the Bank of Japan and the Ministry of Finance over interest rate policy and the growing trade friction with the United States, have all raised market concerns about whether the present government has either the strength or the ability to deal with the country's mounting economic problems.

As a result, present currency trends are likely to continue for the foreseeable future. The dollar should trade within its current 1.67 to 1.72 range against the Deutschemark until the terms of German monetary union are settled. At the same time, the deteriorating economic and political environments in the United Kindom and Japan will probably result in further appreciation of the dollar versus the pound and the yen. ■

Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 4/4/90	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	226.879	+ 2.285	- 7.747
Loans to Depository Inst.	2.150	+ .013	- .184
Float	.569	+ .379	- .591
Total Reserve Bank Credit	269.490	+ 1.416	+11.390
Treasury Deposits with Federal Reserve Banks	4.455	- 1.051	- .370
Currency in Circulation	258.085	+ 1.070	+14.957
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	224.500	+ 1.010	- 12.534
Member Bank Reserves:	**4/4/90**		
Total Reserves Held	59.293	- .070	+ .245
Excess (Deficiency)	1.120	+ .361	- .185
Net Free Reserves	.928	+ .353	+ .125
Monetary Aggregates †		**‡ % Change Since 3 Months Ago***	**Year Ago**
M1 (3/26/90)	804.8	+ 5.6	+ 2.3
M2 (3/26/90)	3,273.4	+ 6.1	+ 5.9
M3 (3/26/90)	4,070.3	+ 2.8	+ 2.9
Domestic Nonfinancial Debt (4th Q'89)	9,790.0	+ 2.1	+ 8.1

† Seasonally adjusted.

* Seasonally adjusted annual rate.
‡ Four-week moving average.

New York Money Market

Offering Rates 4/6/90	3 Months	6 Months	1 Year
‡ U.S. Treasury Bills	7.74%	7.72%	7.68%
* Federal Agencies	8.30	8.40	8.40
* Municipal Notes–High Grade (34% Taxable Equivalent)	9.09	9.09	9.32
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market–Prime	8.35	8.52	8.60

‡ Finance Company Paper–Prime

5- 14 days	8.20%
15- 29 days	8.23
30- 59 days	8.18
60- 89 days	8.15
90-179 days	8.10
180-239 days	8.00
240-270 days	8.00

‡* Bankers' Acceptances

May	8.24%
Jun.	8.20
Jul.	8.17
Aug	8.17
Sep.	8.17
Oct.	8.14

‡ Industrial Paper–Prime

30- 89 days	8.30%
90-120 days	8.28

†Federal Funds Effective Rate 8.19%

‡ Discount basis. *Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	4th Q'89	$ 5,340 r	$ 5,281	$ 5,017
Gross National Product (1982 Dollars)*	4th Q'89	$ 4,174 r	$ 4,163	$ 4,069
Percent Change, Annual Rate	4th Q'89	1.1 r	3.0	2.7
Change in Consumer Prices*	Feb '90	6.0%	13.2%	4.8%
Change in MH Cost of Living Index*	Feb '90	12.0%	13.2%	6.0%
Change in Producer Prices*	Feb '90	0.0%	21.6%	7.2%
Civilian Employment (Thousands of Persons) †	Mar '90n	118,334	118,035	117,047
Unemployment as % of Civilian Labor Force †	Mar '90n	5.2%	5.3%	5.0%
Personal Income*	Feb '90n	$ 4,636	$ 4,595r	$ 4,320
Leading Indicators Composite Index (1967=100) †	Feb '90n	144.0	145.4r	145.6
Industrial Production Index (1977=100) †	Feb '90	141.8	141.0	140.5
Net Change in Consumer Installment Credit †	Feb '90n	$ 3.42	$ 3.80r	$ 5.38
U.S. Merchandise Trade Balance †	Jan '90	- $ 9.25	- $ 7.68	- $ 8.52
Plant and Equipment Expenditures*	1st Q'90	$ 503.5(a)	$ 485.5(a)	$ 459.5
Private Housing Starts (Thousands of Units)*	Feb '90	1,477	1,588r	1,454
New Construction Expenditures*	Feb '90n	$ 436.5	$ 425.3r	$ 416.6
Total Business Inventories †	Jan '90	$ 796.0	$ 794.1	$ 760.2
Total Business Sales †	Jan '90	$ 523.0	$ 521.3	$ 511.5

*Seasonally adjusted annual rate. † Seasonally adjusted. n-Newly reported figure. r-Revised. a-Anticipated.

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Focus: Italy
Italy enters the 90's as one of Europe's most dynamic industrial environments, and its third largest economy. Growing investment, shifts in ownership structures, recapitalizations, and the emergence of Milan as a vigorous and creative financial center have vaulted Italy to the forefront of investment opportunities.
Manufacturers Hanover in Milan and Rome has the contacts, local knowledge and international network to help you make the most of these opportunities. As leaders in corporate finance, risk management and foreign exchange, we can assist you in identifying, structuring and financing solutions to match your strategy. And we're an international institution gathering minute-by-minute market information from 100 affiliated offices in 38 countries. Whether you are interested in corporate acquisitions, disposals or pure financial investments, learn how we can help you in Italy. Call William Marrone, Country Manager, (39) 2 8867 1 or your Manufacturers Hanover representative.
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MANUFACTURERS HANOVER

Financial Digest

Volume XXVII, Number 9 Monday, April 23, 1990

Analysis of Business Trends Plus Selected Financial Indicators

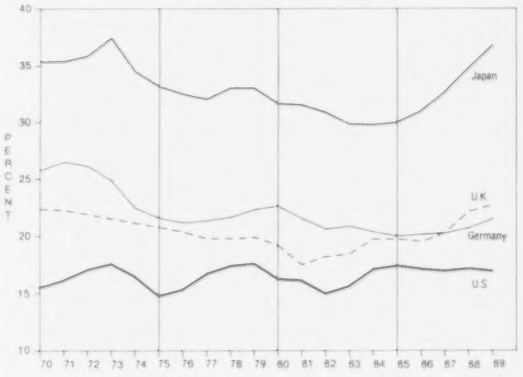
Competitive Challenges Abound

Despite the substantial, export-led narrowing of the non-oil trade deficit in recent years, from a peak of nearly $120 billion in 1986 to $64 billion last year, domestic industry can hardly sit back on its laurels if it wishes to consolidate these gains. For with the dollar stabilizing in the foreign exchange markets, manufacturers will no longer be able to reap significant competitive advantages due to officially-sanctioned dollar depreciation. Quite the contrary. In coming years, the global competitiveness of U.S. industry will hinge on such time-honored virtues as product quality, innovation and cost-containment—all of which require a steady stream of investment in new plant and equipment, labor skills and research and development. Unfortunately, the United States is found wanting in the global investment sweepstakes, especially when compared with Japan.

At first glance, capital spending levels in the United States appear adequate, if unspectacular. According to a recent survey by the Commerce Department, businesses plan to increase spending on new plant and equipment by an inflation-adjusted 7.6 percent in 1990, not far from last year's 8.6 percent gain, and 1988's hefty 8.9 percent advance. Due to these increases, the share of our real gross national product accounted for by fixed investment is now nearly 17 percent, a proportion which has not only been ratcheting a bit higher, but is roughly comparable with investment shares prevailing in Western Europe.

At this point, however, the well of good news starts to run dry. For one thing, some backsliding may soon occur since the near-term capital spending outlook is being clouded by a severe corporate earnings slump. For another, while relative investment parity with Western Europe exists, it does not with Japan (see chart), and that country represents the principal competitive challenge to U.S. industry—in both our own backyard and in other markets. Recent trade trends starkly illustrate the difference. Whereas a once formidable trade gap with Western Europe has been entirely eliminated, a frustratingly huge trade imbalance with Japan lingers. And, with investment spending surging in Japan, that country's vaunted industrial prowess—and reputation for product quality—is unlikely to diminish in coming years.

REAL GROSS FIXED INVESTMENT
AS A PERCENT OF REAL GNP/GDP



Capital Spending Pinched?

Take, for example, the profits pinch, and its growing threat to capital spending. With unit labor costs trending higher, interest expense ballooning and the opportunities to increase either sales volumes or selling prices limited by lethargic economic growth and strong consumer resistance to price increases, corporate earnings have been in a tailspin. Before-tax earnings have fallen short of year-earlier levels for three quarters in a row, while after-tax earnings now stand more than ten percent below their fourth quarter 1988 peak and profit margins have tumbled to recessionary levels. What's more, such tell-tale signs of distress as ballooning interest payments and soaring dividend payout ratios abound. In this environment, the challenge to many corporate treasurers is simply to find the dollars necessary to honor past obligations, rather than future investments.

To be sure, internally-generated funds are not the only source of investment capital. Under normal circumstances, a cyclical earnings squeeze could be offset by funds raised externally, such as debt-financing. This time around, however, the erosion of corporate earnings is coinciding with a tightening of commercial bank credit standards, enhanced regulator vigilance, a stingy Federal Reserve monetary policy

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and, in the bond markets, an upward bias to yields. This traces, at least in part, to the usual culprits (a Federal budget deficit stuck at around $150 billion and a paltry national savings rate) and a relatively new one—a pending explosion of Treasury borrowings in order to finance the bailout of the savings and loan industry. As a result, weak earnings, stricter lender scrutiny and rising long-term interest rates have blended into an unhealthy mix, curbing capital spending intentions in many instances, and precluding them entirely in others. Not surprisingly, quick pay-back equipment comprises the lion's share of capital outlays, while spending on new "greenfield" structures languishes.

Japan Looks Ahead

Not so in Japan, however, where an unrelenting capital spending boom persists. Real plant and equipment spending has been surging at a better than 50 percent annual rate over the past six months, helping to push the share of gross national product directed toward investment to a whopping 37 percent in 1989. This proportion has increased for five straight years, and is now double the U.S. proportion. Japan, in fact, has been investing more than the United States not only proportionally, but in absolute terms as

Short Term Paper Outstanding

(Millions of Dollars)

Time Deposits $100,000 or more Weekly Reporting Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (4/4/90)	216,929	+ 103	+ 1,157
New York City (4/11/90)	39,587	- 597	- 2,889
Commercial Paper (4/11/90)	541,389	+ 909	+ 55,179

Bank Loans

(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (4/4/90)	324,001	+ 982	+ 11,461
New York City (4/11/90)	57,912	- 429	+ 196

Total Loans and Leases Gross Adjus

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (4/4/90)	1,003,396	- 2,218	+ 55,660
New York City (4/11/90)	179,528	- 1,766	- 127

Financial Markets

	Friday 4/20/90	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	7.94%	- .06	- 1.00
180-Day Bills†	8.23	+ .04	- .85
Longest Bills†	8.41	+ .15	- .91
Recent Issues:			
8½s 3/30/92	8.78	+ .21	
8½s 3/30/94	8.86	+ .24	
8½s 2/28/00	8.93	+ .32	
8½s 2/15/20	8.94	+ .37	
Municipals:			
Bond Buyer—20 Bond Index* (4/19/90)	7.39%	+ .08	- .05
Blue List Total ($ Million)	$1,540	- $ 5	+$ 634
30-Day Visible Supply ($ Million)	$1,550	- $695	+$ 325
Total	$3,090	- $700	+$ 959
Corporates:			
Moody's Aa Composite (4/19/90)	7.67	+ .17	- 2.25
30-Day Visible Supply ($ Million)	$ 375	- $334	- $5,111
Stocks:			
Dow-Jones Averages:			
Industrials	2,694.83	- 56.97	+285.37
Transportation	1,154.88	- 36.62	+ 18.24
Utilities	208.12	- 4.66	+ 17.15
65 Stocks	997.53	- 24.42	+ 75.81
N.Y.S.E. Composite Index	184.06	- 4.74	+ 11.16
N.Y.S.E. Avg. Daily Vol. for Week (000's)	145,386	+ 11,751	- 33,384

*34% Taxable equivalent 11.20%.

† Bond equivalent

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 4/20/90	Week Ago
Overnight	8.18%	8.13%
1 month	8.31	8.25
3 month	8.43	8.38
6 month	8.63	8.50
1 year	8.94	8.69

FOREIGN EXCHANGE SPOT RATES

New York Opening (4/20/90)	Currency Per U.S. $	Week Ago
Belgium	34.75	34.61
Canada	1.1633	1.1655
France	5.6403	5.6140
Germany	1.6797	1.6735
Italy	1233.70	1231.00
Japan	157.45	158.65
Mexico	2759.00	2751.00
Netherlands	1.8988	1.8845
South Korea	697.63	698.32
Switzerland	1.4850	1.4840
Taiwan	26.16	26.15
U.K.*	1.6430	1.6393

*U.S. $ per U.K. pound

MH TRADE-WEIGHTED DOLLAR (4/20/90) (Adjusted for Inflation)	Change Since Week Ago	Change Since 2/27/85
	+0.8%	-5.5%

well over the past two years—even though the Japanese economy is roughly half the size of ours.

While hefty capital spending is often cited as a hallmark of Japan's vitality and foresight, it is also a reflection of lower capital costs. Long-term interest rates have generally been lower, and equity price-earnings ratios higher, than those prevailing in either the United States or Europe, facilitating the raising of long-term funds and lowering the hurdle rates of return required on contemplated investments. Even the recent turbulence in Japan's stock and bond markets won't change things all that much. While capital costs may have increased somewhat, the effects will be small. Japanese corporations will just dip into the sizable cash reserves they have built up during the recent years of heady profits growth to finance capital outlays. For the United States, this is hardly good news. Although closing the investment gap with Japan is a precondition to recapturing lost product markets here and abroad, it's an impossible dream unless corporate America reverses its earnings slide, households boost savings and the Federal government puts its financial house in order. ■

Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 4/18/90	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov't and Agencies Owned Outright & RPs	232.145	+ 1.618	- 7.222
Loans to Depository Inst.	1.750	- .263	- 1.157
Float	1,575	+ .977	+ 1.032
Total Reserve Bank Credit	275.587	+ 2.581	+12.152
Treasury Deposits with Federal Reserve Banks	4.981	+ .236	- 1.983
Currency in Circulation	260.929	+ 1.001	+16.678
Gov't's held for Foreign Acct. by F.R. Banks (End-of-Week)	223.465	+ 1.398	- 15.438
Member Bank Reserves:	**4/18/90**		
Total Reserves Held	61.941	+ 2.684	+ 1.744
Excess (Deficiency)	.782	- .304	+ .559
Net Free Reserves	.576	- .318	+ .965
Monetary Aggregates †		**‡ % Change Since 3 Months Ago***	**Year Ago**
M1 (4/9/90)	805.6	+ 4.4	+ 2.8
M2 (4/9/90)	3,275.8	+ 5.8	+ 5.9
M3 (4/9/90)	4,076.5	+ 2.7	+ 2.7
Domestic Nonfinancial Debt (4th Q'89)	9,790.0	+ 2.1	+ 8.1

† Seasonally adjusted.

* Seasonally adjusted annual rate.
‡ Four-week moving average.

New York Money Market

Offering Rates 4/20/90	3 Months	6 Months	1 Year
‡ U.S. Treasury Bills	7.70%	7.81%	7.82%
* Federal Agencies	8.30	8.40	8.50
* Municipal Notes–High Grade (34% Taxable Equivalent)	9.39	9.39	9.39
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market–Prime	8.46	8.65	8.75

‡ Finance Company Paper–Prime

5- 14 days	8.20%
15- 29 days	8.23
30- 59 days	8.18
60- 89 days	8.15
90-179 days	8.10
180-239 days	8.00
240-270 days	8.00

‡* Bankers' Acceptances

May	8.25%
Jun.	8.23
Jul.	8.24
Aug	8.25
Sep.	8.25
Oct.	8.24

‡ Industrial Paper–Prime

30- 89 days	8.25%
90-120 days	8.25

†Federal Funds Effective Rate 8.19%

‡ Discount basis *Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	4th Q'89	$ 5,340	$ 5,281	$ 5,017
Gross National Product (1982 Dollars)*	4th Q'89	$ 4,174	$ 4,163	$ 4,069
Percent Change, Annual Rate	4th Q'89	1.1	3.0	2.7
Change in Consumer Prices*	Mar '90n	6.0%	6.0%	6.0%
Change in MH Cost of Living Index*	Mar '90n	7.2%	12.2%	8.4%
Change in Producer Prices*	Mar '90n	- 2.4%	0.0%	4.8%
Civilian Employment (Thousands of Persons) †	Mar '90	118,334	118,035	117,047
Unemployment as % of Civilian Labor Force †	Mar '90	5.2%	5.3%	5.0%
Personal Income*	Feb '90	$ 4,636	$ 4,595r	$ 4,320
Leading Indicators Composite Index (1967=100) †	Feb '90	144.0	145.4	145.6
Industrial Production Index (1977=100) †	Mar '90n	108.8	108.1r	107.7r
Net Change in Consumer Installment Credit †	Feb '90	$ 3.42	$ 3.80	$ 5.38
U.S. Merchandise Trade Balance †	Feb '90n	- $ 6.49r	- $ 9.32r	- $ 8.92
Plant and Equipment Expenditures*	2nd Q'90n	$ 509.1(a)	$ 502.7(a)r	$ 470.9
Private Housing Starts (Thousands of Units)*	Mar '90n	1,321	1,457r	1,405
New Construction Expenditures*	Feb '90	$ 436.5	$ 425.3	$ 416.6
Total Business Inventories †	Feb '90n	$ 794.6	$ 797.5r	$ 765.0r
Total Business Sales †	Feb '90n	$ 535.4	$ 528.6r	$ 512.3r

*Seasonally adjusted annual rate † Seasonally adjusted n-Newly reported figure r-Revised a-Anticipated

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